



*Where Quality Is A Lifestyle*

## **BASIC FINANCIAL STATEMENTS**

Fayette County, Georgia  
Statement of Net Assets

June 30, 2006

	Primary Government		Primary Government	Component
	Governmental	Business-type	Government	Unit
	Activities	Activities	Total	Total
<b>ASSETS</b>				
Unrestricted cash	\$ 37,079,242	\$ 1,308,084	\$ 38,387,326	\$ 1,073,986
Restricted cash	35,131,393	5,486,834	40,618,227	123,925
Unrestricted investment	18,062,065	2,179,571	20,241,636	-
Restricted Investment	-	5,586,533	5,586,533	972,881
Taxes receivable, net	602,297	-	602,297	-
Other receivables	7,003,506	1,804,047	8,807,553	86,424
Inventory and prepaid expenses	124,858	696,780	821,638	68
Unamortized debt issue costs	243,794	451,626	695,420	-
Capital assets, non depreciable	8,894,227	14,964,636	23,858,863	-
Capital assets, net of accumulated depreciation	67,042,269	87,129,855	154,172,124	180,263
Construction in process	-	6,252,501	6,252,501	-
<b>Total assets</b>	<b>174,183,651</b>	<b>125,860,467</b>	<b>300,044,118</b>	<b>2,437,547</b>
<b>LIABILITIES</b>				
Accounts payable	3,051,680	1,227,708	4,279,388	1,232,005
Salaries and benefits	743,456	68,836	812,292	1,355
Current compensated absences	910,961	64,362	975,323	-
Unearned revenues	691,882	111,900	803,782	-
Accrued interest	276,593	583,848	860,441	-
Current portion of long-term obligations	1,937,428	2,147,369	4,084,797	-
Capital lease, net of current portion	5,082,214	-	5,082,214	-
Long term compensated absences payable	1,005,606	27,574	1,033,180	-
Certificate of participation payable	5,000,000	-	5,000,000	-
Bonds payable, net of current portion	52,035,000	47,271,367	99,306,367	-
<b>Total liabilities</b>	<b>70,734,820</b>	<b>51,502,964</b>	<b>122,237,784</b>	<b>1,233,360</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	11,881,854	58,928,256	70,810,110	180,263
Restricted for:				
Debt service	4,837,418	5,586,533	10,423,951	30,000
Renewal and extension	-	5,486,834	5,486,834	-
Capital improvements	4,532,570	-	4,532,570	-
Unrestricted	82,196,989	4,355,880	86,552,869	993,924
<b>TOTAL NET ASSETS</b>	<b>\$ 103,448,831</b>	<b>\$ 74,357,503</b>	<b>\$ 177,806,334</b>	<b>\$ 1,204,187</b>

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia  
Statement of Activities

For the fiscal year ended June 30, 2006

Functions/Program Activities	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business Activities	Total
Primary government							
Governmental Activities:							
General Government	\$ 13,589,479	\$ 521,225	\$ -	\$ -	\$ (13,068,254)	\$ -	\$ (13,068,254)
Judicial	4,677,929	2,597,880	-	-	(2,080,049)	-	(2,080,049)
Public Safety	29,331,567	5,267,301	554	-	(24,063,712)	-	(24,063,712)
Public Works	5,433,833	438,362	30,206	-	(4,965,265)	-	(4,965,265)
Health and Welfare	689,879	-	775,000	-	85,121	-	85,121
Culture/Recreation	1,871,303	189,840	2,830	-	(1,678,633)	-	(1,678,633)
Planning & Community Develop.	1,460,636	665,972	-	-	(794,664)	-	(794,664)
Interest and fiscal charges	3,156,175	-	-	-	(3,156,175)	-	(3,156,175)
Total governmental activities	60,210,801	9,680,580	808,590	-	(49,721,631)	-	(49,721,631)
Business-type activities:							
Water System	12,394,341	12,430,665	-	2,262,050	-	2,298,374	2,298,374
Solid Waste	121,420	141,413	-	-	-	19,993	19,993
Total business-type activity	12,515,761	12,572,078	-	2,262,050	-	2,318,367	2,318,367
Total primary government	\$ 72,726,562	\$ 22,252,658	\$ 808,590	\$ 2,262,050	(49,721,631)	2,318,367	(47,403,264)
Component units:							
Governmental-type	\$ 1,681,288	\$ 1,025,663	\$ 720,078	\$ -	-	-	64,453
Total component units	\$ 1,681,288	\$ 1,025,663	\$ 720,078	\$ -	-	-	64,453
General revenues							
Property taxes					32,103,630	-	32,103,630
Sales taxes					10,296,451	-	10,296,451
Other taxes					2,874,588	-	2,874,588
SPLOST					16,676,100	-	16,676,100
Intergovernmental					2,880,454	-	2,880,454
Sales of capital assets					20,511	12,582	33,093
Miscellaneous revenues					663,405	24,769	688,174
Interest					3,194,159	550,275	3,744,434
Transfers					589,904	(589,904)	-
Total general revenues and transfers					69,299,202	(2,278)	69,296,924
Change in net assets					19,577,571	2,316,089	21,893,660
Net assets - beginning of year					83,871,260	72,041,414	155,912,674
Net assets - end of year					\$ 103,448,831	\$ 74,357,503	\$ 177,806,334

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia  
Balance Sheet  
Governmental Funds

June 30, 2006

	Major Governmental Funds					
	General	Fire District	SPLOST County-Wide Roads CIP	Criminal Justice Center Capital Project	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Unrestricted cash	\$ 13,627,941	\$ 807,360	\$ -	\$ -	\$ 18,994,818	\$ 33,430,119
Restricted cash	-	-	14,248,358	7,605,572	1,859,685	23,713,615
Investments	13,837,991	4,224,074	-	-	-	18,062,065
Taxes receivable	462,552	136,761	-	-	2,984	602,297
Other receivables	3,700,769	-	2,973,759	-	197,258	6,871,786
Inventory	53,414	-	-	-	-	53,414
Prepaid items	69,211	487	-	-	1,746	71,444
Total assets	<u>\$ 31,751,878</u>	<u>\$ 5,168,682</u>	<u>\$ 17,222,117</u>	<u>\$ 7,605,572</u>	<u>\$ 21,056,491</u>	<u>\$ 82,804,740</u>
<b>Liabilities</b>						
Accounts payable	\$ 1,086,140	\$ 37,842	\$ 26,232	\$ 2,856	\$ 1,208,352	\$ 2,361,422
Due to other governments	-	-	539,558	-	48	539,606
Accrued payroll and withholdings	580,322	128,399	-	-	34,735	743,456
Compensated absences payable	37,203	-	-	-	387	37,590
Contracts payable	-	-	-	-	96,058	96,058
Deferred revenue	612,876	120,759	-	-	52,118	785,753
Total liabilities	<u>2,316,541</u>	<u>287,000</u>	<u>565,790</u>	<u>2,856</u>	<u>1,391,698</u>	<u>4,563,885</u>
<b>Fund Balances</b>						
Reserved for encumbrances	45,645	23,324	-	-	-	68,969
Reserved for inventories	53,414	-	-	-	-	53,414
Reserved for prepaid assets	69,211	-	-	-	-	69,211
Reserved for future expenditures	-	-	-	-	4,532,570	4,532,570
Unreserved:						
Designated for emergencies	2,000,000	-	-	-	-	2,000,000
Designated for working capital	12,356,532	1,588,753	-	-	-	13,945,285
Designated for future expenditures	9,428,742	1,350,000	16,656,327	7,592,807	-	35,027,876
Non-major special revenues	-	-	-	-	2,025,152	2,025,152
Designated for capital improvements	3,093,411	77,400	-	9,909	-	3,180,720
Non-major capital projects	-	-	-	-	11,072,217	11,072,217
Undesignated	2,388,382	1,842,205	-	-	-	4,230,587
Non-major special revenues	-	-	-	-	2,034,854	2,034,854
Total fund balances	<u>29,435,337</u>	<u>4,881,682</u>	<u>16,656,327</u>	<u>7,602,716</u>	<u>19,664,793</u>	<u>78,240,855</u>
Total liabilities and fund balances	<u>\$ 31,751,878</u>	<u>\$ 5,168,682</u>	<u>\$ 17,222,117</u>	<u>\$ 7,605,572</u>	<u>\$ 21,056,491</u>	<u>\$ 82,804,740</u>

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia

Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets

June 30, 2006

Total fund balances - governmental funds \$ 78,240,855

Amounts reported for governmental activities in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources 72,360,602  
and therefore are not reported as assets in governmental funds.

Property taxes receivable levied for the current and prior years and not  
collected within sixty days of year-end are not available soon enough to  
pay for the current period's expenditures, and, therefore, are reported as  
deferred revenue in the funds. 93,871

An internal service fund is used to charge the costs of supplies to the  
individual funds. The assets and liabilities of the internal service  
fund are included with governmental activities. 13,963,715

Capital assets	\$ 3,575,894
Certificate of participation	(5,000,000)
Other	<u>15,387,821</u>
	<u>13,963,715</u>

Long-term liabilities are not due and payable in the current period  
and therefore are not reported as liabilities in the funds. Long-term  
liabilities at year end consist of:

Bonds payable, net of current portion	\$ (52,035,000)	
Current portion of long term debt	(1,937,428)	
Capital Leases Payable	(5,082,214)	
Accrued Interest Payable (bonds)	(276,593)	
Compensated absences payable, net of current portion	<u>(1,878,977)</u>	
		<u>(61,210,212)</u>

Total net assets - governmental activities \$ 103,448,831

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds

For the fiscal year ended June 30, 2006

	Major Governmental Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Fire District Fund	SPLOST County-Wide Roads CIP	Criminal Justice Center Capital Project		
Revenues:						
Taxes						
Property taxes	\$ 25,838,270	\$ 6,563,104	\$ -	\$ -	\$ 192,908	\$ 32,594,282
Sales taxes	10,296,451	-	-	-	-	10,296,451
Other taxes	2,874,588	-	-	-	-	2,874,588
Special local option sales tax	-	-	13,817,137	-	2,858,963	16,676,100
Licenses and permits	841,083	-	-	-	-	841,083
Intergovernmental	1,897,847	368,845	-	-	613,762	2,880,454
Charges for services	3,114,649	117,514	-	-	1,838,282	5,070,445
Fines & forfeitures	1,416,858	-	-	-	1,822,336	3,239,194
Investment income	1,452,043	171,882	320,809	390,305	361,983	2,697,022
Miscellaneous revenues	332,338	318,627	-	-	7,092	658,057
Contributions/Donations	9,684	200	-	-	798,706	808,590
Total revenues	<u>48,073,811</u>	<u>7,540,172</u>	<u>14,137,946</u>	<u>390,305</u>	<u>8,494,032</u>	<u>78,636,266</u>
Expenditures:						
Current:						
General Government	7,942,522	-	-	-	-	7,942,522
Judicial System	4,211,026	-	-	-	408,688	4,619,714
Public Safety	18,506,118	6,021,255	-	-	1,989,303	26,516,676
Public Works	4,979,065	-	-	-	208,917	5,187,982
Health and Welfare	689,879	-	-	-	-	689,879
Culture/Recreation	1,609,510	-	-	-	159,184	1,768,694
Planning & Community Development	1,438,092	-	-	-	-	1,438,092
Capital outlay						
General Government	-	-	-	-	2,043,814	2,043,814
Public Works	-	-	169,370	-	-	169,370
Public Safety	-	-	-	196,059	1,474,006	1,670,065
Other/Culture/Recreation	-	-	-	-	19,774	19,774
Debt service - principal	684,800	-	-	1,165,000	-	1,849,800
Debt service - interest	308,961	-	-	2,681,036	-	2,989,997
Paying agent fees/bonds	-	-	-	2,225	-	2,225
Total expenditures	<u>40,369,973</u>	<u>6,021,255</u>	<u>169,370</u>	<u>4,044,320</u>	<u>6,303,686</u>	<u>56,908,604</u>
Excess (deficiency) of revenues over (under) expenditures	7,703,838	1,518,917	13,968,576	(3,654,015)	2,190,346	21,727,662
Other financing sources (uses):						
Transfers in	599,201	-	-	-	6,288,686	6,887,887
Transfers out	(7,442,173)	(382,339)	-	-	(54,972)	(7,879,484)
Proceeds from sale of capital assets	15,471	5,040	-	-	-	20,511
Total other financing uses	<u>(6,827,501)</u>	<u>(377,299)</u>	<u>-</u>	<u>-</u>	<u>6,233,714</u>	<u>(971,086)</u>
Net change in fund balance	876,337	1,141,618	13,968,576	(3,654,015)	8,424,060	20,756,576
Fund balances at the beginning of year	<u>28,559,000</u>	<u>3,740,064</u>	<u>2,687,751</u>	<u>11,256,731</u>	<u>11,240,733</u>	<u>57,484,279</u>
Fund balances at end of year	<u>\$ 29,435,337</u>	<u>\$ 4,881,682</u>	<u>\$ 16,656,327</u>	<u>\$ 7,602,716</u>	<u>\$ 19,664,793</u>	<u>\$ 78,240,855</u>

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia  
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in  
Fund Balances with the Statement of Activities

For the fiscal year ended June 30, 2006

Total net change in fund balances - governmental funds \$ 20,756,576

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. The cost of capital assets sold is recognized as an expense in the entity wide statements but not in the fund level statements

Depreciation expense	(3,813,446)
Capital outlays	1,474,820

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,165,000
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Repayment of lease principal is an expenditure in the capital project funds, but the repayment reduces long-term liabilities in the statement of net assets.	684,800
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The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets	(226,600)
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Property taxes levied for the current and prior years not collected within sixty days after the County's fiscal year ends, are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues related to prior years decreased by this amount this year.	(490,652)
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In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid). Vacation and sick earned exceeded amounts paid by this amount.	(1,045,708)
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The net revenue (expense) of the Internal Service Funds is reported with the Governmental activities.	870,126
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Eliminations from fiscal year 2006.	5,348
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Long-term debt charges in the statement of activities differs from the amount reported in the governmental funds because charges are recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, charges are recognized as they accrue, regardless of when it is due.

Accrued Interest	197,307
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Change in net assets of governmental activities	\$ 19,577,571
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The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia  
Statement of Net Assets  
Proprietary Funds

	June 30, 2006			
	Major	Non-Major		Governmental
	<u>Enterprise Fund</u>	<u>Enterprise Fund</u>		<u>Activities-Internal</u>
ASSETS	<u>Water System</u>	<u>Solid Waste</u>	<u>Total</u>	<u>Service Funds</u>
Current Assets				
Unrestricted cash	\$ 198,941	\$ 1,109,143	\$ 1,308,084	\$ 3,649,123
Restricted cash	5,486,834	-	5,486,834	11,417,778
Unrestricted investment	2,179,571	-	2,179,571	-
Restricted investment	5,586,533	-	5,586,533	-
Prepaid expenses	21,995	-	21,995	-
Other receivables, net of allowance for doubtful accounts of \$125,000	1,804,047	-	1,804,047	131,720
Inventory	674,785	-	674,785	-
Total current assets	15,952,706	1,109,143	17,061,849	15,198,621
Non-Current Assets				
Unamortized debt issue costs	451,626	-	451,626	243,794
Capital assets, net of accumulated depreciation				
Land	14,948,119	16,517	14,964,636	-
Land improvements	4,619,587	55,011	4,674,598	-
Infrastructure	49,299,533	-	49,299,533	-
Buildings	29,990,535	15,272	30,005,807	-
Machinery, equipment and vehicles	3,135,609	14,308	3,149,917	3,575,894
Construction in progress	6,252,501	-	6,252,501	-
Total capital assets	108,245,884	101,108	108,346,992	3,575,894
Total Assets	124,650,216	1,210,251	125,860,467	19,018,309
LIABILITIES				
Current Liabilities				
Accounts payable	1,111,935	6,106	1,118,041	27,222
Contracts payable	109,667	-	109,667	-
Claims payable	-	-	-	27,372
Accrued interest payable	583,848	-	583,848	-
Salaries and benefits payable	68,060	776	68,836	-
Compensated absences	62,881	1,481	64,362	-
Unearned revenue	111,900	-	111,900	-
Current portion of long-term obligations	2,147,369	-	2,147,369	-
Total current liabilities	4,195,660	8,363	4,204,023	54,594
Long-Term Liabilities				
Compensated absences	26,967	607	27,574	-
Bonds payable	47,271,367	-	47,271,367	-
Long-Term Liabilities, net of current portion	47,298,334	607	47,298,941	5,000,000
Total Liabilities	51,493,994	8,970	51,502,964	5,054,594
NET ASSETS				
Invested in capital assets, net of related debt	58,827,755	100,501	58,928,256	3,575,894
Restricted for:				
Renewal & extension	5,586,533	-	5,586,533	-
Debt service	5,486,834	-	5,486,834	-
Unrestricted	3,255,100	1,100,780	4,355,880	10,387,821
TOTAL NET ASSETS	\$ 73,156,222	\$ 1,201,281	\$ 74,357,503	\$ 13,963,715

The accompanying notes are an integral part of these financial statements.



Fayette County, Georgia  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds

For the fiscal year ended June 30, 2006

	<u>Major Enterprise Fund Water System</u>	<u>Non-Major Enterprise Fund Solid Waste</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
Operating revenues:				
Charges for sales and services	\$ 12,086,124	\$ 121,413	\$ 12,207,537	\$ -
Charges to other funds	-	-	-	421,027
Penalties	121,579	-	121,579	-
Miscellaneous	<u>222,962</u>	<u>20,000</u>	<u>242,962</u>	<u>108,831</u>
Total operating revenues	<u>12,430,665</u>	<u>141,413</u>	<u>12,572,078</u>	<u>529,858</u>
Operating expenses:				
Personal services	1,510,054	34,697	1,544,751	-
Contractual services	899,714	25,878	925,592	104,669
Other operating	215,300	10,567	225,867	606,650
Water production cost	2,470,383	-	2,470,383	-
Amortization	170,313	-	170,313	11,082
Depreciation	4,564,554	21,708	4,586,262	881,309
Closure/post closure care	-	<u>28,570</u>	<u>28,570</u>	-
Total operating expenses	<u>9,830,318</u>	<u>121,420</u>	<u>9,951,738</u>	<u>1,603,710</u>
Operating income (loss)	<u>2,600,347</u>	<u>19,993</u>	<u>2,620,340</u>	<u>(1,073,852)</u>
Non-operating activities				
Interest income	515,478	34,797	550,275	497,137
Gain on disposition of equipment	12,582	-	12,582	-
Miscellaneous	24,769	-	24,769	-
Interest expense (including amortization of bond discount)	(2,564,023)	-	(2,564,023)	(133,725)
Loss on disposition of equipment	-	-	-	(935)
Total non-operating activities	<u>(2,011,194)</u>	<u>34,797</u>	<u>(1,976,397)</u>	<u>362,477</u>
Income before capital contributions and transfers	<u>589,153</u>	<u>54,790</u>	<u>643,943</u>	<u>(711,375)</u>
Capital contributions and transfers				
Capital contributions	2,262,050	-	2,262,050	-
Transfers in	-	-	-	1,581,501
Transfers out	<u>(589,904)</u>	<u>-</u>	<u>(589,904)</u>	<u>-</u>
Total capital contributions and transfers	<u>1,672,146</u>	<u>-</u>	<u>1,672,146</u>	<u>1,581,501</u>
Change in Net Assets	2,261,299	54,790	2,316,089	870,126
Net Assets, beginning of year	<u>70,894,923</u>	<u>1,146,491</u>	<u>72,041,414</u>	<u>13,093,589</u>
Net Assets, end of year	<u>\$ 73,156,222</u>	<u>\$ 1,201,281</u>	<u>\$ 74,357,503</u>	<u>\$ 13,963,715</u>

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia  
Statement of Cash Flows  
Proprietary Funds

For the fiscal year ended June 30, 2006

	Major Enterprise Fund Water	Non-Major Enterprise Fund Solid Waste	Enterprise Fund Total	Governmental Activities Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 11,269,865	\$ 121,413	\$ 11,391,278	\$ 400,620
Cash payments to suppliers for goods and services	(2,286,091)	(99,424)	(2,385,515)	(71,329)
Cash payments to employees for services	(2,899,993)	-	(2,899,993)	(723,031)
Net cash provided (used) by operating activities	<u>6,083,781</u>	<u>21,989</u>	<u>6,105,770</u>	<u>(393,740)</u>
Cash flows from noncapital financing activities:				
Transfers in from other funds	-	-	-	1,581,501
Transfers out to other funds	(589,904)	-	(589,904)	-
Net cash provided (used) by noncapital financing activities	<u>(589,904)</u>	<u>-</u>	<u>(589,904)</u>	<u>1,581,501</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,052,808)	-	(2,052,808)	(771,412)
Proceeds from issuance of revenue bonds	-	-	-	-
Capital contributions	666,600	-	666,600	-
Proceeds from sale of equipment	12,582	-	12,582	-
Payment of Interest on Certificates of Participation	-	-	-	(133,725)
Principal paid on revenue bonds and loans	(2,056,272)	-	(2,056,272)	-
Payment of bond interest and loans	(2,571,740)	-	(2,571,740)	-
Net cash (used) by capital and related financing activities	<u>(6,001,638)</u>	<u>-</u>	<u>(6,001,638)</u>	<u>(905,137)</u>
Cash flows from investing activities:				
Interest on investments	515,478	34,797	550,275	497,137
Net cash provided by investing activities	<u>515,478</u>	<u>34,797</u>	<u>550,275</u>	<u>497,137</u>
Net increase in cash and cash equivalents	<u>7,717</u>	<u>56,786</u>	<u>64,503</u>	<u>779,761</u>
Cash and cash equivalents at beginning of year	<u>13,444,162</u>	<u>1,052,357</u>	<u>14,496,519</u>	<u>14,287,140</u>
Cash and cash equivalents at end of year	<u>\$ 13,451,879</u>	<u>\$ 1,109,143</u>	<u>\$ 14,561,022</u>	<u>\$ 15,066,901</u>
Classified as:				
Unrestricted cash	198,941	1,109,143	1,308,084	3,649,123
Unrestricted investments	2,179,571	-	2,179,571	-
Restricted cash	5,486,834	-	5,486,834	11,417,778
Restricted investments	5,586,533	-	5,586,533	-
	<u>\$ 13,451,879</u>	<u>\$ 1,109,143</u>	<u>\$ 14,561,022</u>	<u>\$ 15,066,901</u>

Continued on next page

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia  
Statement of Cash Flows  
Proprietary Funds

For the fiscal year ended June 30, 2006

	Major <u>Enterprise Fund</u> Water	Non-Major <u>Enterprise Fund</u> Solid Waste	<u>Enterprise Fund</u> Total	Governmental Activities <u>Internal Service Funds</u>
Reconciliation of operating income (loss) to cash provided (used) by operating activities:				
Operating income (loss)	\$ 2,600,347	\$ 19,993	\$ 2,620,340	\$ (1,073,852)
Adjustments to reconcile operating income to				
Net cash provided by operating activities:				
Depreciation expense	4,564,554	21,708	4,586,262	881,309
Amortization expense	(125,144)	-	(125,144)	11,082
Increase in accounts receivable	(551,585)	-	(551,585)	(131,720)
Increase in Inventory	(363,506)	-	(363,506)	-
Increase (decrease) in accounts payable	62,682	(2,576)	60,106	(75,134)
Increase (decrease) in compensation/salaries payable	(4,708)	2,864	(1,844)	-
Decrease in provision for bad debt and expense	117,177	-	117,177	-
Increase in prepaid items	(21,375)	-	-	-
Decrease in contracts payable	(78,951)	-	-	-
Decrease in deferred revenue	(36,600)	-	-	-
Decrease in current portion of debt	(79,110)	-	-	-
Estimated claims payable	-	-	-	(5,425)
Total adjustments	3,483,434	21,996	3,721,466	680,112
Net cash provided (used) by operating activities	\$ 6,083,781	\$ 41,989	\$ 6,341,806	\$ (393,740)
Non-cash transactions:				
Contribution of assets from developers and others	\$ 2,842,570	\$ -	\$ 2,842,570	\$ -

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia

Statement Fiduciary Assets and Liabilities

June 30, 2006

	<u>Totals</u> <u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>4,285,026</u>
Total Assets	\$ <u>4,285,026</u>
Liabilities	
Due to Others	\$ 4,228,241
Tax Protest/Bankruptcy	<u>56,785</u>
Total Liabilities	\$ <u>4,285,026</u>

The accompanying notes are an integral part of these financial statements.